



**BILLING CODE 4910-9X**

## **DEPARTMENT OF TRANSPORTATION**

### **Office of the Secretary**

#### **14 CFR Parts 205 and 298**

#### **Notification to UAS Operators Proposing to Engage in Air Transportation**

**AGENCY:** Office of the Secretary (OST), Department of Transportation (DOT).

**ACTION:** Notification of procedures.

**SUMMARY:** This document sets forth the procedure to seek an air taxi operator exemption to hold economic authority from the Department of Transportation (DOT or Department) for companies proposing to engage in certain air transportation operations with unmanned aircraft systems (UAS).

**DATES:** [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Lauralyn Remo, Chief, Air Carrier Fitness Division (202) 366-5347, 1200 New Jersey Ave. SE, Washington, DC, 20590.

**SUPPLEMENTARY INFORMATION:** In order to engage directly or indirectly in air transportation<sup>1</sup>, a citizen of the United States<sup>2</sup> is required to hold economic authority from the Department pursuant to 49 U.S.C. 41101, either in the form of a “certificate of public

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<sup>1</sup> “Air transportation” means foreign air transportation, interstate air transportation, or the transportation of mail by aircraft. Interstate air transportation includes the transportation of property by aircraft for compensation across state, international, or U.S. territorial boundaries, or wholly within a U.S. territory or the District of Columbia, or between islands in the State of Hawaii; or the transportation of more than a *de minimis* volume of property moving as part of a continuous journey when any portion of the journey is conducted by aircraft. The assessment of whether property transported wholly within one state is more than a *de minimis* amount or is part of a continuous journey thereby constituting “air transportation” is specific to the facts and circumstances of each operation. 49 U.S.C. 40102(a)(5) and 14 CFR 298.2.

<sup>2</sup> A “citizen of the United States” includes a corporation organized in the United States that (1) meets certain specified standards regarding the citizenship of its president, officers and directors, and holders of its voting interest and (2) is under the actual control of citizens of the United States. 49 U.S.C. 40102(a)(15).

convenience and necessity” or in the form of an exemption from the certificate requirement.

This authority is separate and distinct from any safety authority required by the Federal Aviation Administration (FAA).

Companies proposing to operate UAS to engage in air transportation, including the delivery of goods for compensation, must first obtain certificate or exemption authority from the Department prior to engaging in the air transportation. The Department intends to use its existing regulatory procedures for processing UAS operators’ requests for economic authority. The Department’s regulation in 14 CFR part 298 (part 298) provides an exemption to air taxi operators from the certificate requirements of 49 U.S.C. 41101, provided that, among other things, the air carrier is a citizen of the United States as defined in 49 U.S.C. 40102(a)(15), maintains liability insurance required by part 205 of our rules (14 CFR part 205), and registers with the Department.<sup>3</sup> The exemption authority conferred by part 298 is not available to air carriers that operate “large” aircraft.<sup>4</sup> For UAS operators looking to transport goods for compensation, an exemption under part 298 is an appropriate form of economic authority. The Department will consider whether granting the exemption is appropriate based on the specific facts and circumstances of each proposed operation.

To become an air taxi operator, operators must submit a registration application (OST Form 4507) and a current aircraft liability insurance certificate (OST Form 6410).<sup>5</sup> A stamped OST Form 4507 with an effective date will be sent to the operator as confirmation of its approved air taxi registration with the Department. Initial registrations must be mailed along with

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<sup>3</sup> See 14 CFR 298.3, 298.11, and 298.24.

<sup>4</sup> Large aircraft means any aircraft originally designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds (*See* 14 CFR 298.2).

<sup>5</sup> Copies of both forms can be found at:  
[https://www.faa.gov/about/office\\_org/headquarters\\_offices/avs/offices/afx/afs/afs200/afs260/exemptions/](https://www.faa.gov/about/office_org/headquarters_offices/avs/offices/afx/afs/afs200/afs260/exemptions/)

the required filing fee.<sup>6</sup> Air taxis located in the State of Alaska must submit their OST Form 4507 and OST Form 6410 to Federal Aviation Administration, Alaskan Regional Headquarters, AAL-231, 222 West 7<sup>th</sup> Ave., Box 14, Anchorage, Alaska 99513. All other air taxis must submit their OST Form 4507 and OST Form 6410 to Federal Aviation Administration, AFS-200, Rm 831, 800 Independence Ave S.W., Washington, D.C. 20591. Amendments may be filed electronically at AFS-260-Insurance@faa.gov. Additional instruction material concerning air taxi registration can also be found in the FAA's air taxi guidance handbook, "How to Become an On-Demand Air Carrier Operator."

Signed in Washington, D.C., on April 24, 2018.

Joel Szabat,

Deputy Assistant Secretary

for Aviation and International Affairs.

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<sup>6</sup> Filing fee information is available at the above link and on OST Form 4507.

